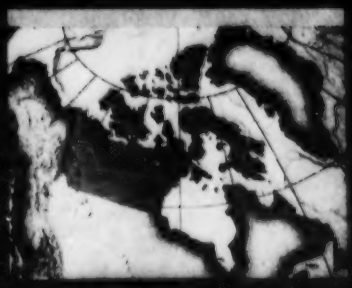

WORKERS' COMPENSATION BOARD OF THE NORTHWEST TERRITORIES AND NUNAVUT

2000 - 2004

CORPORATE PLAN

Mission Statement

To promote accident prevention and provide workers and employers with quality services.

Values

The Workers' Compensation Board of the Northwest Territories and Nunavut is committed to the following values:

1. We treat others with fairness and respect.

2. We do what we say we'll do.

3. We are open and truthful in our dealings with others.

4. We work hard to be the best we can be.

5. We are responsive to our clients.

This document is prepared annually by the Workers' Compensation Board's Board of Directors:

JoAnne Deneron .....Chairperson
Gordon Wray .....Deputy Chairperson (Public Interest Representative)
Donald McNenly .....Member (Worker Representative)
Vivian Stevely .....Member (Worker Representative)
George Kuksuk .....Member (Employer Representative)
Metro Solomon .....Member (Public Interest Representative)
Tim Butler .....Member (Employer Representative)

The Corporate Plan is published as a matter of record, under sub-section 91(1) of the *Financial Administration Acts* of the two Territories.

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Each year, the Board of Directors produces a strategic plan for the future of the compensation system in the Northwest Territories and Nunavut. This plan identifies the Board's strategies for the next five years – an especially important period of time for the WCB in view of the recent division of the former Northwest Territories.

After careful review of the external environment in which it operates, the Board of Directors has identified six key strategies for the WCB to achieve over the next five years:

Workplace accidents reduced by five percent each year

Workplace safety remains the WCB's top priority. A reduction of five percent per year in workplace accidents will reflect the WCB's ongoing efforts to promote safety in the North.

Seventy-Five percent of clients satisfied

Being responsive to the needs of our clients has always been a top priority for the WCB, and establishing a 75 percent satisfaction rate reflects a measurable commitment to this priority.

Fully funded status maintained, while continuing to demonstrate leadership in assessment rates and benefit levels

Having its 'financial house' in order provides the WCB with more flexibility to be a leader in service delivery, assessment rates and benefit levels.

Comprehensive changes made to Workers' Compensation Acts and policies, Safety Acts and General Safety Regulations

Some of the WCB's legislation is outdated. Changes will allow the WCB to better meet the needs of its stakeholders.

Optimal solution achieved for service delivery in the two territories by 2001

A decision on whether to have one or two Boards is required by December 31, 2000, and the changing political environment will impact this process.

Comprehensive performance measurement system implemented by 2002

A performance measurement system will allow the WCB to better assess the impact of its programs and services, thereby ensuring that the information needed to refine them is available.

These strategies build on those identified in the 1999-2001 Corporate Plan. Ongoing focus on the areas of accident prevention, service delivery and financial management will allow the WCB to continue to demonstrate leadership in the areas of compensation and safety.

1. Workplace Accidents Reduced by Five Percent each Year.

Intent:

In partnership with workers and employers, a reduction in workplace accidents by five percent each year over the next five years will represent a significant improvement in the quality of safe work practices in the two territories. Safer workplaces will also mean that less time and money are lost due to workplace accidents.

Challenges:

Reducing workplace accidents by five percent each year will be difficult, considering that:

- many employers, particularly small employers in remote areas, remain unaware of the benefits of having a fully functioning Internal Responsibility System, or lack the resources to implement it;
- a significant portion of the workforce is untrained and inexperienced in safety practices; and
- many employers are involved in seasonal operations or short-term projects.

Staff and resources must be allocated wisely in order to meet the challenges of promoting safety over such a large geographic area.

Actions:

1. Develop an accurate Accident Statistics Measurement Program to help measure and monitor safety performance.

2. Promote accident education in high schools via the "Safety & Young Worker" Program.

3. Promote the Internal Responsibility System, featuring safety education, enforcement, safety audits and inspections, as a means of giving workers and employers the knowledge and awareness to meet their personal responsibilities for safety.

4. Develop an Employer Incentive Program to promote accident prevention partnerships with employers and workers.

2. Seventy-Five Percent of Clients Satisfied.

Intent:

Attaining this level of client satisfaction will represent program and service delivery that is meeting or exceeding stakeholder expectations.

Challenge:

Achieving a high level of client satisfaction will be difficult if stakeholders are unclear about their expectations, or simply frustrated with their assessments/entitlements.

Actions:

1. Clarify client expectations by establishing customer service committees to help develop "satisfied client" profiles.

2. Educate stakeholders with respect to the WCB's role, programs, services and processes. A better understanding of stakeholder expectations will be achieved by analyzing survey results and customer service committee feedback.

3. Measure the existing client satisfaction rate as a benchmark for further surveys on client satisfaction.

4. Focus on excellence in client service by developing core competencies in staff performance and utilizing technology to improve service delivery and information quality.

3. Fully Funded Status Maintained, while Continuing to Demonstrate Leadership in Assessment Rates and Benefit Levels.

Intent:

Maintaining, or improving on, fully funded status will allow the WCB to protect the Accident Fund from unanticipated events, fraud and error. It will also position the WCB to continue demonstrating leadership in benefit levels, assessments, prevention activities and investment returns.

Challenges:

Maintaining leadership in these areas will be difficult, given:

- the current classification and assessment system;
- high administration costs due to geography and small economies of scale;
- legal challenges to the compensation system;
- a YMIR established by legislation in two jurisdictions; and
- continued territorial, national and global economic uncertainty.

Actions:

1. Enhance the effectiveness of the error and fraud detection program to help protect the integrity of the Accident Fund.

2. Ensure fairness in the classification system and leadership in assessment rates to ensure that our rates are among the three lowest in Canada.

3. Provide leadership in benefits to ensure that our benefit levels are among the three highest in Canada.

4. Improve the quality of business analysis so that unanticipated events and other challenges to the Accident Fund can be effectively anticipated.

4. Comprehensive Changes Made to the *Workers' Compensation Acts* and Policies, the *Safety Acts* and the General Safety Regulations.

Intent:

A comprehensive review of territorial safety and compensation legislation and policies will position the WCB to better meet the needs of stakeholders.

Challenges:

Making changes to existing compensation and safety legislation will have to take into account that:

- a *comprehensive* review of territorial safety and compensation legislation has not occurred for some time;
- stakeholders have conflicting and unclear needs, as well as varied interest levels; and
- legislative amendments will need to be passed by two Legislative Assemblies.

Actions:

1. Develop position papers to facilitate discussion.
2. Conduct stakeholder consultation on proposed amendments.
3. Develop legislative proposals.
4. Provide drafting instructions for revised Acts.
5. Propose amendments to the General Safety Regulations.
6. Revise policies to reflect changes in legislation.
7. Communicate legislative and policy changes to stakeholders.
8. Provide staff training to administer new legislation and policies.

5. Optimal Solution Achieved for Service Delivery in the Two Territories by 2001.

Intent:

The Board of Directors and staff will focus on:

- the "Optimal Solution" for workers, employers and government;
- the provision of factual and timely information to stakeholders;
- maintaining the best quality services to stakeholders throughout the process; and
- playing a non-partisan role.

Challenges:

Ensuring that stakeholders are informed and kept up to date will be a challenge.

A decision on whether to have one or two Boards is required by December 31, 2000. The changing political environment will impact this process. In the interim, the Inter-governmental Agreement must continue to be implemented fairly.

Actions:

1. Develop a Negotiations Options Paper.

2. Initiate a stakeholder communications campaign
   - Remind stakeholders of shared agency status
   - Outline issues to be considered by stakeholders
   - Advise stakeholders of final decision

3. Develop a contingency plan for one or two WCBs.

4. Implement an Aboriginal Employment Plan for the two territories.

5. Implement the termination clause in the current Inter-governmental Agreement, or implement a new agreement.

6. Comprehensive Performance Measurement System Implemented by 2002.

Intent:

Incorporating measurable performance standards will position the WCB to better assess the impact of its programs and services, and refine and improve programs to better meet stakeholder needs.

Challenges:

Appropriate means will have to be found to measure program effectiveness without over-surveying stakeholders.

Actions:

1. Develop a balanced scorecard approach to report performance.
2. Develop key performance indicators for identified programs and services.
3. Identify benchmarks and targets for performance levels.
4. Report on performance.

The Economic Environment

Despite tremendous volatility in the global economic markets (primarily due to the Asian crises and their repercussions), both the Canadian and Northwest Territories economies were projected to continue to experience real Gross Domestic Product (GDP) growth in 1998.

Real Canadian GDP growth slowed to an average annual rate of 1.97 percent in the second and third quarters of 1998, after averaging a robust 3.7 percent in the seven-quarter period ending in the first quarter of 1998.

Although real Northwest Territories GDP growth was also expected to be positive in 1998, the 1.0 percent estimated growth rate represents a significant reduction from 1997's rate of 4.7 percent. With the Government of the Northwest Territories Department of Finance forecasting zero growth for 1999, this downward trend can be expected to continue.

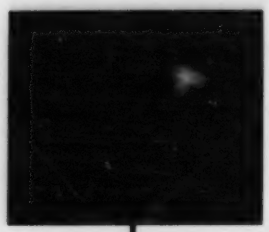
The key factor stimulating growth in the territorial economies in 1998 was growth in private capital investment, particularly in the mine, quarrying and oil sector. Investment in this sector reached $369.2 million in 1998, an increase of $15.9 million over the previous year. Overall, total private and public investment in the Northwest Territories was $659.4 million in 1998, compared to $618.7 million in 1997.

Capital expenditures for the Northwest Territories and Nunavut were estimated to decrease 24.8 percent in 1999, relative to 1998 preliminary estimates. The decline was almost exclusively attributable to the mining industry.

The construction and service industries have exhibited the strongest growth over the past five years, while most goods producers and the public sector have declined.

This potential decrease in an important growth factor (private investment) for the territorial economies is predicted to more than offset growth in Nunavut caused by the expanding government sector.

The GNWT's Department of Finance estimated zero employment growth in the Northwest Territories for 1998 (compared to 3.2 percent growth nationally). However, employment growth for the Northwest Territories and Nunavut was projected to be 5.1 percent in 1999 (an increase of 1,300 full-time jobs), due primarily to the creation of a new public service in Nunavut. In the Northwest Territories, low (but recently improving) prices for gold and oil will continue to be a drag on employment growth in the near future, while employment growth from developments in the diamond industry will likely be limited until construction starts on a second diamond mine.



The fiscal outlook in the Northwest Territories and Nunavut is, for the time being, positive. In the spring of 1998, the Government of the Northwest Territories anticipated ending the 1998-99 fiscal year with $28 million in accumulated debt. This meant that the Northwest Territories and Nunavut would begin April 1, 1999, in deficit positions. However, because of a favourable one-time adjustment to the Formula Financing Grant from Canada (based on revised population estimates), the Governments of the Northwest Territories and Nunavut enjoyed a $33 million accumulated surplus as of March 31, 1999. This surplus was split 56 percent to the Northwest Territories and 44 percent to Nunavut, according to the Division of Assets and Liabilities Agreement between the two governments.

Despite this good fortune, the Northwest Territories is facing a critical fiscal challenge. The Grant from Canada is determined, in part, by comparative growth rates, and it is now forecast that territorial growth rates will be below Canada's for this year and future years. For example, the Government of the Northwest Territories is forecasting virtually zero revenue growth in the year 2000. This means that government revenues will be insufficient to meet existing funding requirements, thereby necessitating the use of its accumulated surplus to meet the 1999-2000 forecasted deficit of $34 million. As noted by Finance Minister Charles Dent in his budget address: "...if we don't find more revenues, we may have no choice but to cut services or capital spending in next year's budget."

The total value of minerals, oil and gas shipments from the Northwest Territories increased slightly by 1 percent over 1996, to a level of $788 million in 1997. Of this total, zinc, oil and gas, and gold accounted for 39 percent, 30 percent and 25 percent, respectively.

Mainly because of external market forces, the Northwest Territories' mining sector has been undergoing a period of major change and upheaval, particularly in the gold mining industry. Commodity prices have suffered following the Asian crises and the sell-off of gold reserves by Central Banks throughout the world. Only one gold mine (Miramar Con Mine) is currently operational in the Northwest Territories, although Lupin has recently announced its intention to recommence production.

The Ekati Diamond Mine has begun operating at full capacity, with production estimated to be $500 million per year, employing over 450 people. The development of the Diavik-Aber property will also benefit the North during the construction and production phases beginning in the year 2000.

It is estimated that the development of two diamond mines in the Northwest Territories, their spin-off effects in the Northwest Territories, and the reduction in the Formula Financing Grant resulting from this development, will generate an average of $270 million per year over the next 26 years for the Government of Canada. The Government of the Northwest Territories is projected to receive a net fiscal benefit of $20 million per year, given the existing structure of the Formula Financing Agreement with Canada.

Currently, the Government of the Northwest Territories is undertaking efforts to promote the Northwest Territories as a mining and manufacturing centre, and to co-ordinate diamond industry-related activities throughout the government. For example, monies have been directed towards Aurora College and to Sirius Diamonds (which has recently established a diamond cutting and processing facility in Yellowknife) to sponsor diamond industry pre-employment training.

The Northwest Territories has very promising oil and natural gas potential, particularly in the Deh Cho, Mackenzie Valley and Beaufort-Delta regions. While exploitation of this potential is currently constrained by insufficient pipeline capacity, lack of roads and several other economic factors, it is anticipated that petroleum development will eventually generate hundreds of jobs and additional government revenue.

Exploration expenditures in the Northwest Territories for 1998 were tentatively expected to reach $153.2 million - a decrease from $179 million in 1997– and were expected to fall further in 1999 to $145.2 million. Depressed metal prices are clearly affecting the ability of mining companies to raise capital for exploration purposes.

The Economic Environment: Implications for the WCB of the Northwest Territories and Nunavut

The WCB is primarily affected by the economy in two ways: economic growth and the investment climate. The Northwest Territories and Nunavut will likely continue to experience fairly stagnant economic growth over the next several years, despite continued 'good news' from the diamond mining sector. Alarmingly, there was a net outflow of more than 2,000 people from the Northwest Territories and Nunavut between 1996 and 1998. Moreover, the potential inability of the territorial governments to generate sufficient revenues to meet current and future expenditure requirements will likely hamper their abilities to stimulate investment and employment in the territorial economies. These trends suggest that the WCB's assessment revenue base may recede in the coming years.

Although the Northwest Territories and Nunavut are predicted to have had zero net employment growth in 1998, claims costs have decreased. This is, in part, attributable to the significant job loss which has occurred in recent years in the mining industry – an industry with traditionally high accident rates.

Changes in the composition of the Northwest Territories economy also have implications for the WCB's assessment base. For example, downsizing in the mining industry will make it more difficult for injured mine workers to get employment once rehabilitated or to obtain on-the-job training for other positions in the mining sector.

Volatility in the financial and currency markets, along with low interest rates, continues to pose a threat to the positive investment experience that the WCB has enjoyed over the past four years. Prudent management of the WCB's investment portfolio is the key to maintaining the Board's positive financial position over the next decade.

The Changing Workplace

Small businesses continue to represent a large and growing proportion of the business community in the Northwest Territories and Nunavut. Most of the employment growth in the last five years has come from the private sector, particularly the small business sector.

The importance of small business as a source of both full- and part-time employment can also be seen in terms of providing displaced workers in the mining industry with opportunities to continue working in the Northwest Territories and Nunavut.

The WCB must continue to respond to the unique needs of small business and deal with these clients in a way that recognizes their expectations.

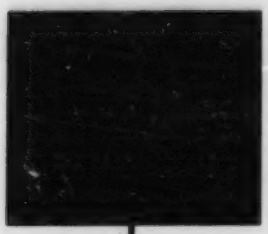
Unemployment, particularly for young people (18-25), continues to be a problem in the Northwest Territories and Nunavut. This concern is partially reflected in the trend toward interregional and intercommunity migration, particularly from smaller to larger centres. Many Northwest Territories and Nunavut residents see the strong labour market in communities like Yellowknife and Iqaluit as the answer to reducing unemployment. Unfortunately, many unemployed young people have low levels of education and their chances of being employed are not very good in either large or small communities.

The large number of young people in the Northwest Territories and Nunavut also means that new jobs will be needed in order to keep these people employed when they reach adulthood. It is estimated that 3,500 new jobs must be created by the year 2008.

Finally, it is expected that there will be significant aging of the population in the Northwest Territories and Nunavut. The segment of the population 50 years of age and older is expected to grow at the fastest rate, while the segment of the population 17 years and under is projected to have relatively slow rates of growth. This pattern reflects recent declines in fertility rates and improvements in health conditions among aboriginal persons.

The Changing Workplace: Implications for the WCB of the Northwest Territories and Nunavut

The various forms of non-standard work (for example, job sharing) pose a challenge to the WCB, which has operated on the basis of conventional employment arrangements. For example, workers unable to return to their pre-accident employment may find it difficult to secure a new job that would offer the same permanent, full-time status they enjoyed prior to the injury. The WCB should, therefore, explore compensation, assessment and safety initiatives specific to small businesses, as well as non-conventional employment arrangements.



The continued movement of employers and workers between communities and regions in the Northwest Territories and Nunavut, as well as the aging of the population, provide challenges in terms of meeting the WCB's registration, compensation and workplace safety objectives.

The Canadian WCB Environment

This section provides a snapshot of some of the major strategic initiatives, by issue, either implemented or under consideration by other Canadian jurisdictions over the past year.

Workplace Safety

Improving workplace safety continues to be a significant issue for many jurisdictions.

Ontario's Prevention Division is working with health and safety associations in the delivery of a strategic plan, supported by performance measurements. A prevention data warehouse was expected to be implemented in the autumn of 1999, with input from the Ministry of Labour and health and safety associations.

Newfoundland has recently opened a resource centre, which contains an extensive collection of occupational health & safety and workers' compensation information from all jurisdictions in Canada. The centre is open to the general public and the Commission's clients.

Newfoundland, in partnership with key stakeholders, also supports a high school workplace safety course. The two-credit course offers students 110 hours of instruction, and introduces students to workplace health, safety and injury prevention concepts.

In British Columbia, work is continuing on the *Preventing Accident Repetition* project. This unique three-year study focuses on protecting workers who have experienced a high number of injuries (20 or more claims in their working lifetime or five or more claims in five years). The Young Worker Safety Awareness campaign, which encourages employers to provide young workers with formal safety training, is also in its second year.

British Columbia is also introducing legislative amendments to bring into effect recommendations related to prevention contained in the report of the Royal Commission on Workers' Compensation. Key features include administrative penalties up to $500K, and prosecution penalties up to $500K on the first offence, and $1 million for subsequent violations of provisions of the province's safety legislation.

Quebec has increased its information efforts on the prevention of industrial accidents and occupational diseases, and has initiated a number of programs (inspection-prevention, construction sector, and prevention and young people) to better target their safety efforts to those groups and sectors exhibiting high risk.

The Yukon Territory is undergoing a statutory review of its occupational health and safety regulations. New regulations are also being developed to address issues related to the Yukon's recently devolved responsibilities for oil and gas.

NWT and Nunavut Perspective

Occupational health and safety in the Northwest Territories and Nunavut continues to be a significant issue for the WCB and its Prevention Services Division. Emphasis is being placed on increased enforcement of safety legislation, more education programs and more focused inspection activity.

In 1999, the WCB commenced development of an in-house computer system that will integrate prevention data with employer assessment files. With this integration, Prevention Services will be able to generate an Employer Profile, which will confirm assessment premiums, claims costs charged to the employer, compliance orders written, successful prosecutions and payment of court fines. The WCB maintains an extensive occupational health and safety library, and provides a number of safety education courses (including the Safety and the Young Worker program).

Client and Staff Relations

A number of jurisdictions have undertaken public consultation in order to identify how they may better provide services and programs to their stakeholders.

Ontario contracted the Angus Reid Group to conduct a customer satisfaction survey in 1999. Workers and employers were asked to rate customer service in several areas, including claims issues, prevention initiatives, premiums, timeliness of WSIB response and problem resolution. The survey revealed that while the public is prepared to accept the WSIB moving into the area of prevention, a significant challenge exists in improving the overall perception of the organization.

Saskatchewan has completed an internal cultural audit and introduced a different management philosophy to focus on being a high performance organization. This will involve further management training on cultural behaviour standards.

NWT and Nunavut Perspective

Efforts to improve communication with stakeholders are outlined in the Board's 1998-99 Communications Strategy. As part of this strategy, the Board has been conducting quarterly surveys of employers and workers in order to obtain feedback on the delivery of WCB programs and services.

The WCB is also implementing a new Human Resource Information System (HRIS), which will improve human resource services provided to staff.

Funding

With a number of jurisdictions achieving or building on fully-funded status in 1998, attention has focused on managing their improved financial positions and exploring alternative assessment models. The majority of WCBs have lowered employer assessment rates for the year 2000.

Managing a Surplus

Saskatchewan has supplemented its annual employer merit rebates with a further operating surplus rebate to approximately 25,000 employers, totaling $33 million.

Assessment Rate Models

British Columbia will introduce a new Premium Assessment System in the year 2000, incorporating a new classification and rate-making system, experience rated assessments and a three-year transitional strategy.

Nova Scotia has plans to introduce a periodic payment and assessment system based on actual payroll. Employers will report their actual payrolls periodically throughout the year, on a "pay as you go" basis, rather than the current system of estimating payroll and paying once at the beginning of the year.

Quebec is also undertaking rate-making reform, with the goal of setting contributions that better reflect the actual risks that organizations incur as well as the efforts they make to prevent accidents and help injured workers return to work. Personalized rate plans and 'prevention mutual group plans' are two options in which employers can now participate.

NWT and Nunavut Perspective

A fourth successive year of solid investment performance resulted in investment revenue of approximately $27.5 million for the WCB in 1998. Once again, the WCB's investment strategy paid dividends, with the total Accident Fund experiencing above-average performance when compared with similar institutional investment portfolios. The WCB's surplus grew in 1998, despite assessment revenues falling by 16.5 percent due to a slight decrease in economic activity in the North and a 12.3 percent reduction in the average assessment rate. The WCB also experienced a slight reduction in 1998 current year claims costs, and improved experience in prior years' claims.

For 2000, the WCB has the lowest average assessment rate in North America. Rates are currently discounted by 35 percent – a commitment that the WCB will maintain through 2002.

Overall, the WCB is in a healthy financial position, achieving more than fully-funded status for the sixth consecutive year. In 1998, the WCB was 127 percent funded at year end, with an Operating Reserve of $44.3 million. This provides the WCB with opportunities to decrease assessment rates, enhance compensation and invest in new technologies to provide long-term benefits to the WCB's stakeholders.

The WCB will continue to monitor experience rating in other jurisdictions, and also explore the possibility of allowing quarterly reporting for some industries in order to provide flexibility in assessment payments. However, any changes to the assessment system will have to recognize the particular characteristics (large number of small businesses, small industry groups, small economies of scale in industry) that exist in the Northwest Territories and Nunavut.

In managing its surplus, the WCB will continue to develop and evaluate options which could provide long-term financial and other benefits to its stakeholders.

Performance Measurement

Measuring the impact of programs and services provides Boards with greater certainty that their funding dollars are being spent effectively. It also provides them with the information necessary to effectively modify and adjust these programs to ensure they are achieving their desired objectives.

In 1999, Canadian WCBs continued to explore ways to incorporate performance measurement into their operations. For example, Ontario approved the expenditure of funds to collect performance data on labour market re-entry outcomes as part of its quality assurance initiative. Ontario has also committed to a 33 percent reduction in workplace injuries and diseases by 2000. Saskatchewan has introduced a comprehensive performance measurement program.

To facilitate discussion among Boards, the Association of Workers' Compensation Boards of Canada (AWCBC) has standardized the definitions of various performance measures such as frequencies of claims, assessments, costs and benefit payments, as well as pension and long-term disability statistics.

Alberta is using a balanced-scorecard approach to performance measurement, with a focus on areas such as innovation, product and process, individual and industry impact, and economic and societal impact.

NWT and Nunavut Perspective

A performance measurement pilot project has recently been completed on the WCB's safety education initiatives. This study should provide Prevention Services with information regarding the impact of resources directed towards these activities and programs.

The WCB has also adopted a number of AWCBC national performance measurements to ensure consistency with other jurisdictions, and has participated in an interjurisdictional performance measurement project for occupational health and safety.

Widows' Benefits

With the coming into force of section 15 of the Charter of Human Rights and Freedoms in 1985, questions were raised as to the constitutionality of provisions of workers' compensation legislation that terminated surviving spousal benefits upon remarriage. All jurisdictions, with the exception of the Northwest Territories and Nunavut, have reinstated benefits for spouses who remarried after April 1985. A number of jurisdictions have also reinstated benefits for spouses whose entitlement was terminated upon their remarriage prior to April 1985.

NWT and Nunavut Perspective

The WCB has applied to the courts of the Northwest Territories and Nunavut for a declaratory judgment on the constitutionality of existing legislation, and a determination of what date, if any, surviving spousal benefits should be reinstated. The Board has set aside funds in recognition of this potential liability.

Information Technology

Ontario has launched its Operations Training Strategy project to focus on technological advancement, alternative methodologies, enhanced accessibility to services and measurement of training effectiveness.

Many WCBs are supporting Enable Link, a comprehensive on-line resource for people with disabilities, as a means to enable seriously injured workers to access resources in their communities.

British Columbia has introduced internet electronic commerce in conjunction with E-File, a claims management system that applies imaging, workflow and data integration technologies.

Quebec is seeing increased demand for its electronic commerce services, which allow workers and employers to submit electronic forms and use a simulator to calculate income replacement benefits.

Most WCBs have implemented strategies to address the Y2K issue. Ontario, for example, has developed, implemented and tested processes for converting all information systems.

NWT and Nunavut Perspective

In its Information Technology Plan, the WCB has identified a number of information system priorities. Internally, all WCB systems are now Y2K compliant. The WCB's Y2K Committee, which has been contacting key employers, suppliers and medical providers to determine their Y2K status, completed its mandate in September 1999.

Other Initiatives

Initiatives introduced by individual jurisdictions include the following:

- Newfoundland has introduced a Research Initiatives program, which is designed to fund a limited number of creative, short-term projects to provide practical health and safety benefits for Newfoundland workplaces.

- Saskatchewan is undertaking a legislative review of its Act to improve readability and incorporate recommendations from a 1996 Committee of Review.

- The Yukon Territory participated in an independent review of its Act, with amendments being introduced in late 1999. Amendments included an external appeal panel and greater accountability to government. The Workers' Compensation Task Force released its final report, which the Board reviewed.

- New Brunswick has undertaken significant stakeholder consultation on issues such as place of employment, contracting employers, safety policies, coverage for volunteers, third party actions, and the relationship with the Appeals Tribunal (including the requirement to bind the Tribunal to legislation and board policies).

- PriceWaterhouseCoopers has, on behalf of Ontario, completed a 'value for money' audit of health care services and providers. Three strategies have flowed from recommendations contained in the auditor's report: automation in the provision of information from health care providers to the WSIB, flexibility in fee structures to better support the goals of varying kinds of health services, and the evaluation of health care services using a 'balanced scorecard' approach (using factors such as workers' physical and functional status, worker and employer satisfaction, and financial measures). Detailed consultation on these proposed strategies was completed in 1999.

- Alberta is developing a joint accreditation process for physical therapy and chiropractic clinics with the Commission for Accreditation of Rehabilitation Facilities. Accreditation involves a review of standards, information/outcomes and the rehabilitation process. It is anticipated that this initiative will provide Alberta's stakeholders with greater certainty that their health care partners are meeting high standards in the services they deliver to injured workers.

The NWT and Nunavut WCB Environment

This section identifies accident and injury trends in the Northwest Territories and Nunavut, and comments on how these trends may affect the WCB. It also discusses Division, an issue which uniquely concerns the Workers' Compensation Board of the Northwest Territories and Nunavut.

Trends

The WCB witnessed a 16.5 percent decrease in its 1998 assessment revenues (due to a slight decrease in overall economic activity and a 12.3 percent reduction in the average assessment rate).

In 1998, the WCB experienced a slight increase in its total claims costs, despite a reduction of 19 percent in the number of new claims administered (relative to 1997). Overall, the total number of claims reported decreased from 3,626 in 1997 to 2,939 in 1998, reflecting, in part, lower economic activity in 1998. Employers who improved their workplace safety practices also deserve credit for contributing to this reduction.

This declining accident frequency suggests the possibility of reducing claims administrative costs or, alternatively, redirecting these cost savings to offset program costs in areas such as prevention.

The majority of time loss claims continue to occur in the construction, public administration, service, transportation and mining sectors. Injuries to muscles and joints, as well as surface wounds and bruises, are the most common types of injuries.

In 1997, the goods-producing industries (such as mining, manufacturing and construction) accounted for 37 percent of northern employers but 44 percent of time loss claims. While the number of goods-producing industries remained constant in 1998, they accounted for only 36 percent of time loss claims. With the exception of the exploration activity subclass, all subclasses had assessment revenues greater than the cost of their claims.

The WCB's financial strategies continue to pay dividends. An 11.5 percent market rate of return on investments in 1998 represented a fourth successive year of solid performance.

In 1999, the WCB implemented a 35 percent discount to assessment rates that will be in place for a four year period. This represents the fourth year in a row that the WCB has reduced employer assessment rates.

Workers also benefited from the WCB's strong financial position, as increases to both workers' benefits and pensions were approved for 1999. The WCB had the highest Year's Maximum Insurable Remuneration in the country, and the second lowest average assessment rate.

Trends in assessment revenues, accidents and injuries by subclass and individual employer will continue to be actively monitored. This will allow the WCB to be proactive in addressing areas of concern, including the growing trend towards progressive claims (such as repetitive strains) over traumatic claims. All WCB inspection and safety education staff received ergonomic training in 1998. Ergonomic courses are now offered to northern employers, and assessments are done as part of the WCB's regular inspection activities.

Division

In December 1998, the Northwest Territories Legislature, with the support of the Interim Commissioner for Nunavut, passed amendments to the *Workers' Compensation Act* to enable the existing WCB to continue as a shared agency of the governments of the Northwest Territories and Nunavut until December 31, 2002.

There were several compelling reasons for a shared WCB:

- Two WCB's would not enjoy any economies of scale.
- The WCB has been a success story since 1993.
- The actuaries who evaluate the WCB's liabilities stated that three years of experience data were necessary to accurately split the Accident Fund. 1999 is the first year that separate data will be available.
- There would be no disruption in service to stakeholders.

Representatives of the Northwest Territories and Nunavut Governments signed an Inter-Governmental Agreement, which outlines how the shared agency is to be governed between April 1, 1999, and December 31, 2002. The inter-governmental agreement also includes the formula that will be used to eventually divide the WCB's assets. Both governments can agree to continue the shared agency after December 31, 2002; however, this decision must be made prior to January 1, 2001.

Regional offices had been established in Iqaluit and Rankin Inlet prior to April 1, 1999, with telecommunications links to the corporate office in Yellowknife.

Questions or comments may be directed to:

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